

**5 AUGUST 1994**

**Services**



**VENDING FACILITY PROGRAM FOR THE  
BLIND ON AIR FORCE PROPERTY**

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OPR: HQ AFSVA/SVPCO (Ms. Cathy Edmonds)

Certified by: HQ USAF/SVF (Col Micheal J. Kelly)

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This instruction implements AFR 34-2, *Managing Nonappropriated Funds*, and Department of Defense (DoD) Directive 1125.3, *Vending Facility Program for the Blind on Federal Property*, April 7, 1978, With Change 1. It provides uniform guidance on the vending facility program for the blind on Federal property under Air Force control. Use this instruction with DoD Directive 1125.3. Send comments or recommendations to HQ AFSVA/SVPC, 10100 Reunion Place, Suite 401, San Antonio TX 78216-4138.

**SUMMARY OF REVISIONS**

This is the first publication of AFI 34-206. It reissues AFR 34-2, February 16, 1979, in AFI format.

**1. Program Overview.** Under the provisions of the amended *Randolph-Sheppard Act*, the blind are given priority on DoD-controlled property in:

- Establishing and operating vending facilities.
- Receiving contracts to operate cafeterias.
- Obtaining satisfactory sites for vending facilities.
- Receiving a share of income from vending machines operated by a DoD component.

1.1. DoD Directive 1125.3 and this instruction applies to Air Force bases and locations in:

- All 50 states.
- The District of Columbia.
- Puerto Rico.
- American Samoa.
- Guam.
- The Virgin Islands.

## 2. Responsibilities:

2.1. The Air Force Director of Services (HQ USAF/SV) implements DoD Directive 1125.3 within the Department of the Air Force.

2.2. The Air Force Services Agency (AFSVA) oversees and administers the program.

2.2.1. The Commander, AFSVA, serves as the head of the DoD component for the purposes of this instruction.

2.3. HQ AFSVA/SVPC coordinates actions on applications for vending facility permits and determinations concerning satisfactory sites with the Army and Air Force Civilian Welfare Fund (AAFCWF) or Army and Air Force Exchange Service (AAFES), as appropriate, when the designated sites may negatively affect the sales and patronage of AAFCWF or AAFES activities.

## 3. Program Guidelines:

**3.1. Reporting Contact.** Report immediately any contact by non-DoD sources with any Air Force installation concerning requests for or questions about the program's benefits or entitlements, notifying HQ AFSVA/SVPC by telephone at DSN 487-3472. (*EXCEPTION:* Routine contractor communications regarding appropriated or nonappropriated fund actions.) Provide concurrent installation information reports to the major command (MAJCOM) Director of Services (SV) and, as appropriate, to:

- AAFCWF (DSN 227-4761/4839) for contacts affecting nonappropriated fund instrumentalities (NAFI) subject to its jurisdiction.
- HQ AAFES (FD-F) (DSN 967-3423), for contacts affecting AAFES activities.
- SAF/AQCO (DSN 224-1685), for contacts affecting appropriated fund activities.

3.1.1. Take no action on such contacts without specific guidance and authorization from HQ AFSVA/SVPC. This requirement applies to all such contacts with activities on Air Force installations, including those with NAIs subject to the jurisdiction of the AAFCWF and those with AAFES activities.

**3.2. DoDD 1125.3, Paragraph G.** The on-site official provides HQ AFSVA/SVPC with immediate notification of any complaint filed. Provide concurrent notice to the MAJCOM/SV, and to the AAFES and the AAFCWF, as appropriate. This paragraph doesn't apply to disputes that arise under any appropriated or nonappropriated fund (NAF) contracts. Process such disputes under the disputes procedures prescribed in the applicable contracts.

**3.3. DoDD 1125.3, Paragraph H.** Air Force installations provide the required information to their MAJCOM/SVs within 45 calendar days after the end of each fiscal year. MAJCOM/SVs provide a copy of each of their installation's reports to HQ AFSVA/SVPC within 60 days after the end of each fiscal year.

**3.4. DoDD 1125.3, Enclosure 1, Paragraph J.** The installation commander is the on-site official for the purposes of this instruction. For Air Force locations that don't have installation commanders, the individual in command of the location serves as the on-site official. The Commander, Services Squadron, or equivalent, provides staff support relating to this Instruction.

**3.5. DoDD 1125.3, Enclosure 2, Paragraph 2.** The Air Force honors the priority of the blind to establish and operate vending facilities (other than in cafeterias):

- On the request of the state licensing agency (SLA) for the blind whenever a vending facility is initially established.
- When a services (SV) activity terminates its direct or contracted operation of an existing vending facility for which there is a continuing need.

**3.6. DoDD 1125.3, Enclosure 2, Paragraph 2a.** The installation's need to generate NAFs doesn't alter the priority of the blind to operate vending facilities. This factor alone is not sufficient to support a determination that the interests of the United States would be adversely affected.

**3.7. DoDD 1125.3, Enclosure 2, Paragraph 2b.** The on-site official submits all correspondence concerning determinations that US interests would be adversely affected directly to HQ AFSVA/SVPC. Provide information copies to the MAJCOM/SV, the AAFCWF, and the AAFES (FD-F), where appropriate.

**3.8. DoDD 1125.3, Enclosure 2, Paragraph 2c.** Send all applications for permits directly to HQ AFSVA/SVPC. Send information copies to the MAJCOM/SV, the AAFCWF, and the AAFES (FD-F), where appropriate.

3.8.1. See **Attachment 1** for a sample permit to use in processing applications from SLAs. Don't change the format, with the following exceptions:

3.8.1.1. Add the variable information locally.

3.8.1.2. List types of articles sold in attachment C to the permit. The SLA determines what items and services the vending facility will stock after consulting with the on-site official. These items should generally correlate with the kinds of products that blind vendors customarily sell under the Randolph-Sheppard Vending Facility Program. List specific items on which there has been consultation, to avoid any later misunderstanding or confusion.

**3.9. DoDD 1125.3, Enclosure 2, Paragraph 3.** When contracting for the "operation of a cafeteria" (including contracted military dining facilities), issue a copy of the solicitation to the appropriate SLA except when undertaking direct negotiations with the SLA on a sole-source basis. For appropriated fund actions, issue solicitations on a fully competitive basis. Evaluation criteria are the same for all competitive sources (including any responding SLA); however, if the SLA submits a proposal that's within the competitive range established by the contracting officer, award the contract to the SLA. Coordinate all proposed awards, determinations of adverse impacts, and terminations with HQ AFSVA/SVPC through the MAJCOM (and SAF/AQCO for appropriated-fund actions).

**3.10. DoDD 1125.3, Enclosure 2, Paragraph 4.** The Air Force must initiate the offer of one or more satisfactory sites when the provision applies. A satisfactory site must generally have at least 250 square feet of space, and must have utility hook-ups. Send line drawings to the appropriate SLA early in the acquisition process to determine whether the SLA wants space, and whether the space offered is satisfactory. To avoid potential later conflicts, the Air Force normally doesn't locate the site close to AAFES sales operations or other military resale activities.

3.10.1. The SLA must submit an application for a permit to operate in the designated location. It is up to the SLA to provide equipment, tables and chairs, counters, and so on for the facility.

**3.11. DoDD 1125.3, Enclosure 2, Paragraph 4a(1).** The on-site official notifies the SLA. **Attachment 2** is a sample letter for this notification (see also AFI 32-1021, *Planning and Programming of Facility Construction Projects*).

**3.12. DoDD 1125.3, Enclosure 2, Paragraph 4a(2). Attachment 3** is a list of US Department of Education (DoED) regional offices and their addresses. The on-site official sends a copy of the written notice to the SLA and the SLA's response to the appropriate DoED regional office. Provide an information copy of all such correspondence to HQ AFSVA/SVPC.

**3.13. DoDD 1125.3, Enclosure 2, Paragraph 4b(1).** The Air Force must provide satisfactory sites when there will be an average of 100 or more civilian employees working in the building during normal working hours. Add the number of employees scheduled to work on each workday of a payroll period, and divide the total by the number of workdays in the payroll period. Don't count days on which only janitorial or maintenance personnel are present as workdays. **Attachment 4** provides a formula for determining how many Federal employees are in a building during normal working hours.

**3.14. DoDD 1125.3, Enclosure 2, Paragraph 5.** Vending machine income-sharing requirements don't apply to vending machines operated by or for the military exchanges.

**3.15. DoDD 1125.3, Enclosure 2, Paragraph 5d:** The DoD has amended (Change 1, 22 August 1991) the requirement to make payments to SLAs under these income-sharing requirements to permit quarterly payments on a fiscal-year basis (rather than on a calendar-year basis as indicated in the referenced paragraph).

3.15.1. Air Force installations must keep records and computations reflecting the amount of vending machine income earned at each location, installation, or facility. Such records include cost data on:

- Cost of goods sold.
- Service repair and maintenance.
- Utilities.
- Depreciation.
- Supervision and accounting.
- Other operational or administrative aspects of operating vending machines.

3.15.1.1. Deduct these costs from gross receipts to determine levels of income sharing. These records substantiate amounts of money paid to the SLA for the blind or justify nonpayment under the provisions of DoD Directive 1125.3, Enclosure 2, paragraph 5c(2).

3.15.1.2. Make payment to other than an SLA only after receiving a notarized affidavit from the SLA authorizing a nominee to act as its agent to receive vending-income monies. Provide the SLA with a duplicate copy of each record of payment made to its nominee.

3.15.2. Vending income is not shared unless the net income per individual location, installation, or facility (as defined in DoD Directive 1125.3, Enclosure 1, paragraph F) exceeds \$3,000 during a fiscal year.

3.15.2.1. Make quarterly payments to an SLA. Make no payments until net income reaches \$3,000 during the fiscal year. For example, if vending machines in a building reach a net income of \$3,000 during the second fiscal quarter, payments are due after the remaining fiscal quarters (so long as the cumulative net income figure for the fiscal year remains above \$3,000). Compute amounts due by applying the appropriate sharing percentage to the cumulative net income (include the \$3,000 threshold figure), less any payments made earlier in the

fiscal year. Deduct any overpayments from subsequent quarterly payments due the SLA.

**4. Applying the Amended Randolph-Sheppard Act.** Table 1. gives a quick-reference guide to applying the amended *Randolph-Sheppard Act*.

**Table 1. APPLICATION OF AMENDED RANDOLPH-SHEPPARD ACT (20 U.S.C. 107).**

<b>R</b>	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>
<b>U</b>	<b>If the entitlement</b>	<b>then the initiative must be</b>	<b>and the entitlement</b>	<b>but it does not apply</b>
<b>L</b>	<b>involved is</b>	<b>taken by</b>	<b>applies</b>	
<b>E</b>				
<b>1</b>	the priority of the blind to operate vending facilities (other than cafeterias) (Encl 2, para 2)	the State licensing agency for the blind by applying for a permit for a blind vendor to operate (Encl 2, para 2c)	when an opportunity to operate becomes available (cannot displace existing operations) (Encl 2, para 2)	when the interests of the US would be adversely affected as determined by the on-site official (Encl 2, para 2a).
<b>2</b>	the priority of the blind to operate cafeterias (Encl 2, para 3)	the Federal property managing agency by contacting and negotiating with the State licensing agency for the blind on a sole source basis or by including the licensing agency as one of the solicited sources in a competitive procurement (Encl 2, paras 3a and b)	when contracted cafeteria operations are established or recontracted (Encl 2, para 3)	when the interests of the US would be adversely affected as determined by the on-site official (Encl 2, para 2a).
<b>3</b>	that pertaining to providing a satisfactory site for a blind-operated vending facility (encl 2, para 4)	the Federal property managing agency by incorporating a site in the plans for the building to be acquired or renovated and forwarding the plans to the State licensing agency for the blind for its concurrence or alternate suggestions (Encl 2, para 4a(1))	to buildings in which at least 100 Federal civilian employees will be located and to buildings in which services are to be provided to the general public where at least 15,000 sq ft are to be used by the Federal property managing agency for that purpose (Encl 2, para 4b)	to buildings not meeting these thresholds or to buildings when the State licensing agency determines, and HEW agrees, that the number of people having access is inadequate to support a vending facility (Encl 2, paras 4a(4) and 4b).
<b>4</b>	that pertaining to the requirement to share Federal property managing agency vending machine income (Encl 2, para 5)	the Federal property managing agency by forwarding quarterly distributions to the State licensing agency for the blind (Encl 2, para 5d)	to Federal property managing agency vending machine income and to commissions from contracted vending machine operations (Encl 1, para R, and Encl 2, para 5)	to income from manned vending facilities or amusement machines, to vending machine income generated by or for the military exchanges, or to other Federal property managing agency vending machine income where the annual net per building or group of buildings is less than \$3,000 (Encl 1, paras Q and R, and Encl 2, para 5c).

NORMAND G. LEZY, Brig General, USAF  
Director of Services

**Attachment 1**

**SAMPLE FORMAT FOR APPLICATION AND PERMIT FOR ESTABLISHMENT OF A  
VENDING FACILITY ON FEDERAL PROPERTY**

**DEPARTMENT OF EDUCATION  
Office of Human Development Services  
Rehabilitation Services Administration  
Washington, D.C.**

APPLICATION AND PERMIT FOR ESTABLISHING A VENDING FACILITY ON FEDERAL PROPERTY AS AUTHORIZED BY P.L. 74-732 AS AMENDED BY P.L. 83-565 AND TITLE II OF P.L. 93-516 (RANDOLPH-SHEPPARD ACT)

The \_\_\_\_\_ of the State of \_\_\_\_\_ requests approval of  
\_\_\_\_\_ to place a vending facility on the property located  
\_\_\_\_\_  
\_\_\_\_\_.

SATISFACTORY SITE. This location meets the criteria of a satisfactory site as defined in 34 CFR 395.1(q). Attachment A documents exceptions.

TYPE, LOCATION, AND SIZE OF FACILITY. Type of facility (defined in Instructions for Form OHD-PSA-15) \_\_\_\_\_; facility location \_\_\_\_\_; facility size \_\_\_\_\_. Attachment C lists the types of articles to be sold and services to be offered. Attachment D lists the required fixtures and equipment and specifies who must provide them. Attachment E lists the location, type, and number of vending machines that constitute all or part of this facility. The facility will operate \_\_\_\_\_ days of the week from \_\_\_\_\_ A.M. to \_\_\_\_\_ P.M., beginning \_\_\_\_\_.

MACHINE INCOME SHARING. Attachment F lists the type and location of each vending machine on this property and the specific income-sharing provisions in 34 CFR 395.32 applicable to each machine. Disburse vending machine income to the state licensing agency on at least a quarterly basis, unless a mutual agreement specifies otherwise.

FOR OTHER TERMS AND CONDITIONS, SEE ATTACHMENT G.

\_\_\_\_\_  
Approving Property Official

\_\_\_\_\_  
Title

\_\_\_\_\_  
Approving State Licensing Agency Official

\_\_\_\_\_  
Date Title Date

\_\_\_\_\_  
Approving Air Force Official  
Administrator, Air Force  
Randolph-Sheppard Act Program

\_\_\_\_\_  
Date



# **APPLICATION AND PERMIT FOR ESTABLISHMENT OF A VENDING FACILITY ON FEDERAL PROPERTY**

## **ATTACHMENT G**

### **OTHER TERMS AND CONDITIONS**

1. Both parties must comply with 34 CFR 395.35. The Air Force issues this permit for an indefinite period of time subject to suspension or termination on the basis of noncompliance by either party with any of the agreed-upon terms and conditions of the permit. By mutual agreement, the state licensing agency (SLA) and the property agency or owner may terminate the permit after providing notice of the intended termination, including the reason therefor and supporting documentation to the other party. Both parties must comply with all regulations issued in Title VI of the Civil Rights Act of 1964. Reason for denial of the application must be presented in writing to the state.
2. The DoD Component may not charge the SLA for normal repair and maintenance of the building, for cleaning areas adjacent to the designated vending facility boundaries, or for removing trash from a designated collection point.
3. The SLA is responsible for the cleaning, maintenance and security of the vending facility and for all costs relating to vending facility equipment, merchandise, and other commercial products, except as provided in paragraph 6. Neither party is responsible for loss or damage to the other's property unless proximately caused by its acts or omissions. The SLA is also responsible for acts or omissions of the blind vendor and his or her employees or agents.
4. Vendors must operate facilities in compliance with applicable health, sanitation and building codes, ordinances, and regulations.
5. The on-site official and the SLA must approve all vending-facility projects, including installation, modification, relocation, removal, and renovation. The initiating party bears the costs for these work projects. If officials suspend or terminate a permit because of noncompliance, the noncomplying party bears all costs for closing down the vending facility.
6. The DoD component provides utility support and bills the state licensing agency. The SLA must pay no later than 30 days after receiving the bill.
7. This permit is issued for an indefinite period of time, subject to these suspension and termination stipulations:
  - a. Permits are suspended or terminated when any party fails to comply with agreed-upon terms after notice to the other party or when any party fails to correct noncomplying performance.
  - b. Permits are terminated on 60 days' written notice when the Air Force closes an installation or activity or changes its requirements for services; when the building that contains the vending site

can no longer be used for that purpose; or when the SLA can no longer continue to operate the vending facility.

## **Attachment 2**

### **SAMPLE LETTER FORMAT TO NOTIFY THE STATE LICENSING AGENCY OF A SUITABLE SITE FOR A VENDING FACILITY**

MEMORANDUM FOR (State Licensing Agency)

FROM:

SUBJECT: Randolph-Sheppard Act Amendments - ACTION MEMORANDUM

1. In accordance with the Randolph-Sheppard Act as amended, I enclose a line drawing of a building (to be constructed)(designated for substantial alteration or renovation) (to be acquired) at \_\_\_\_\_. The Air Force has designated a general-purpose satisfactory site for a blind-operated vending facility, which is identified on the drawing. Installation officials consider this location to be most conveniently accessible to the majority of the \_\_\_\_\_ Federal employees projected to work in the facility. If you decide that this number is sufficient to support a vending facility, please indicate your concurrence or your counter-proposal, and a description of the type of vending facility to be operated. If you don't consider this site satisfactory and subject to Air Force approval, you will have the opportunity to select the location and type of vending facility to be operated before the final space layout of the building is complete. If you decide that you aren't prepared to establish such a facility in this building for operation by a blind licensee, or if it is not your intention to establish a vending facility at this time, please let us know.

2. In the event that you don't respond within 30 days of receiving this letter, or don't provide an explanation for your decision not to establish a vending facility, I will assume that you have determined that the number of employees using this building is or will be insufficient to support such a facility.

(signature block of on-site official)

Attachment:

As stated

cc:

DoEd Region

HQ AFSVA/SVPC

**Attachment 3**

**REGIONAL OFFICE DIRECTORY, DIRECTORS OFFICE OF REHABILITATION  
SERVICES**

**RANDOLPH-SHEPPARD ACT**

**DEPARTMENT OF EDUCATION REGIONAL REPRESENTATIVES**

**REGION I** Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont

Dept. of Education, OSERS  
J. W. McCormack Post Office  
and Court House, Room 232  
Boston, Massachusetts 02109  
(617) 223-4093

**REGION II** New Jersey, New York, Puerto Rico, and the Virgin Islands

Dept. of Education, OSERS  
26 Federal Plaza, Room 1239  
New York, New York 10278  
(212) 264-6093

**REGION III** Delaware, District of Columbia, Maryland, Pennsylvania, Virginia, and West Virginia

Dept. of Education, OSERS  
3535 Market Street, Room 16120  
Philadelphia, Pennsylvania 19104  
(215) 596-0314

**REGION IV** Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, and Tennessee

Dept. of Education, OSERS  
101 Marietta St., NW, Suite 2210  
P.O. Box 1691  
Atlanta, Georgia 30301  
(404) 331-0531

**REGION V** Illinois, Indiana, Michigan, Minnesota, Ohio, and Wisconsin

Dept. of Education, OSERS  
401 South State St., Suite 700E  
Chicago, Illinois 60605-1202  
(312) 353-0628

**REGION VI** Arkansas, Louisiana, New Mexico, Oklahoma, and Texas

Dept. of Education, OSERS  
1200 Main Tower Building, Room 2140  
Dallas, Texas 75202  
(214) 767-2961

**REGION VII** Iowa, Kansas, Missouri, and Nebraska

Dept. of Education, OSERS  
10220 N. Executive Hills Blvd.  
Kansas City, Missouri 64153-1367  
(816) 891-8015

**REGION VIII** Colorado, Montana, North Dakota, South Dakota, Utah, and Wyoming

Dept. of Education, OSERS  
Federal Office, Room 310  
1244 Speer Blvd.  
Denver, Colorado 80204-3582  
(303) 844-4592

**REGION IX** Arizona, California, Hawaii, Nevada, Guam, Trust Territory of Pacific Islands, and American Samoa

Dept. of Education, OSERS  
Federal Office Building, Room 215  
50 United Nations Plaza  
San Francisco, California 94102  
(415) 556-3786

**REGION X** Alaska, Idaho, Oregon, and Washington

Dept. of Education, OSERS

915 Second Avenue, Room 3390

Seattle, Washington 98174-1099

(206) 220-7840

## Attachment 4

### FEDERAL EMPLOYEE COMPUTATION FORMULA

NORMAL WORK HOURS	0700-1800
WORKDAY	ACTUAL NUMBER OF SCHEDULED (See Note ) EMPLOYEES FOR EACH WORKDAY
TUESDAY	90
WEDNESDAY	85
THURSDAY	89
FRIDAY	95
SATURDAY	122
SUNDAY	130
CLOSED MONDAYS	
TUESDAY	90
WEDNESDAY	85
THURSDAY	89
FRIDAY	95
SATURDAY	122
SUNDAY	<u>130</u>
TOTAL EMPLOYEES SCHEDULED FOR PAYROLL PERIOD	1,222
DIVIDED BY NUMBER OF WORKDAYS IN PAYROLL PERIOD	12
EQUALS AVERAGE NUMBER OF EMPLOYEES PER WORKDAY	101.8

***NOTE:***

Add all regular and flexible employees, including off-duty military personnel, regardless of the number of hours that they work.

## **Attachment 5**

### **SAMPLE MEMORANDUM TO DOED IF STATE LICENSING AGENCY RESPONDS AND DECLINES BECAUSE OF THE INSUFFICIENCY OF PERSONS TO SUPPORT A VENDING FACILITY**

MEMORANDUM FOR HQ AFSVA/SVPC

Regional Office, Department of Education

IN TURN

FROM:

SUBJECT: Randolph-Sheppard Act Amendments - ACTION MEMORANDUM

1. Reference is made to my letter of \_\_\_\_\_, above subject, forwarding the (State Licensing Agency) a line drawing of a building (to be constructed)(designated for substantial alteration or renovation) (to be acquired) at \_\_\_\_\_. The drawing incorporated a proposed site for a blind-operated vending facility. A copy of this correspondence was furnished concurrently to your office.
2. I have been notified by the State Licensing Agency that it does not desire a site for a blind-operated vending stand to be provided, as per their attached explanation. Accordingly, and unless otherwise directed by the Secretary of Education, a satisfactory site for a blind-operated vending facility will not be incorporated in the final plans.

(Signature block of preparer)

Attachment:

(State Licensing Agency) Ltr, (date)

cc: (as appropriate)